

Biotechnology Industry Organization
Comments to the California Air Resources Board
On the Harmonization Chapter
October 21, 2011

The Biotechnology Industry Organization (BIO) appreciates the opportunity to submit comments on the draft “Harmonization” chapter (the chapter). BIO is the world’s largest biotechnology organization with more than 1,100 member companies worldwide. Among its membership, BIO represents over 85 leading technology companies in the production of conventional and advanced biofuels and other sustainable solutions to energy and climate change challenges. BIO also represents the leaders in developing new crop technologies for food, feed, fiber, and fuel.

BIO member companies represent many of the low carbon fuel producers that will supply the State of California with the fuels for Low Carbon Fuel Standard (LCFS) compliance. Government programs, including the LCFS, are especially important to industry because when they become stable, long-term predictable policies, they become the basis upon which we are able to secure investment for the commercialization of our fuels.

LCFS Harmonization with Federal Laws

BIO and its member companies commend the goals of the State of California to significantly reduce greenhouse gas (GHG) emissions under its LCFS. Further, we appreciate CARB’s efforts to design the LCFS to complement federal laws, including the federal Renewable Fuel Standard (RFS).

BIO believes the RFS is the fundamental policy enabling the nascent advanced biofuels industry to raise sufficient private capital to achieve commercial volumes with certain levels of GHG emissions reductions. Any biofuel produced going forward will have to meet the GHG reduction requirements contained in the RFS in order to qualify under that law. The California LCFS can be an important driver to incentivize and achieve further GHG reductions for biofuels beyond the levels mandated under the RFS.

With respect to consideration of a national LCFS, as stated above, BIO and its members believe that the RFS is the appropriate and fundamental federal policy driving continued investment in the research and development of commercial volumes of advanced biofuels that would “result in significant quantities of low-CI biofuels that could be used toward compliance with California’s LCFS.”¹ Consideration of a national LCFS may be appropriate once the RFS has taken full effect as the stable long-term federal policy driving investment in the commercialization of advanced biofuels.

LCFS Program Elements Considered

The draft harmonization chapter asserts that program elements that should be considered for harmonization include LCA analysis, sustainability requirements, and reporting requirements.² With respect to lifecycle analysis (LCA) harmonization, BIO and its members support the methodology established by the U.S. Environmental Protection Agency (EPA). We encourage CARB to maximize the compatibility of its LCFS LCA methodology with EPA’s RFS LCA methodology. Individual state LCA methodology should be consistent with federal methodology to minimize regulatory uncertainty and facilitate commercial deployment of advanced biofuels that may be supplied to states, including California. To that end, BIO and its

¹ California Air Resources Board, Draft *Advisability for Harmonization*, October 2011.

² *Id.*

members urge CARB to work with other state and regional LCFS programs, such as the current effort underway in the Northeast under the Northeast States for Coordinated Air Use Management (NESCAUM) to adhere as closely as possible to the LCA methodology published by the EPA in its 2010 final rule for the revised federal Renewable Fuels Standard (RFS2), while also recognizing the need for continuous update of values used as new model data becomes available.

With respect to LCFS harmonization with other sustainability principles and requirements, BIO and its members wish to reiterate the messages from our August 5, 2011, comments on this topic.³ As we stated, CARB's approach to implementing the LCFS has important implications for the future of advanced biofuels, as well as all agricultural activity and climate change policy. As such, the LCFS should be implemented in a manner that supports and encourages deployment of sustainable low carbon fuel alternatives, including advanced biofuels. CARB should make every effort to ensure that any LCFS sustainability criteria complement other state, federal and international laws. They should not be new and distinct requirements, should remain within the scope of the LCFS law, and should sufficiently consider economic sustainability and its consequences. Further, any sustainability objective beyond GHG reductions should be achieved through voluntary and incentive-based programs.

With respect to CARB's LCFS reporting requirements, BIO believes that CARB should create a fluid process for fuel developers to advance markets for new alternative fuels. CARB should thus avoid onerous reporting requirements in the LCFS.

Finally, BIO appreciates California's inclusion of a provision to address high carbon intensity crude oil (HCICO) in the context of the LCFS. As CARB makes reference, 'some crude

³ Biotechnology Industry Organization, Comments on *Draft LCFS Sustainability Principles, Criteria, Indicators Principles 4, 5, 6, 7*, August 5, 2011.

oils require additional energy to produce or emit higher levels of GHG emissions during the production process. Since the California LCFS considers full lifecycle assessment, these additional GHG emissions should be taken into account if California refineries process these crudes.”ⁱ BIO believes that any future state, regional, or federal low carbon fuel policy vehicle should be inclusive of this principle.

We thank you for your consideration of these comments.

ⁱ California Air Resources Board, Draft *Advisability for Harmonization*, October 2011